



## CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

April 23, 2007

### **S. 236**

### **Federal Agency Data Mining Reporting Act of 2007**

*As ordered reported by the Senate Committee on the Judiciary on April 12, 2007*

This legislation would amend federal law to require all federal agencies using or developing data mining programs to submit detailed reports to the Congress about the program. The reports would be made public, but sensitive or classified information would be available only to Congressional committees. The legislation would exempt programs involving the detection of fraud, waste, and abuse in federal programs or the security of government information systems.

Data mining (a technique for extracting useful information from large volumes of data) consists of using statistical analysis and modeling to uncover patterns and subtle relationships in data that can be used to predict future outcomes. CBO is unaware of any comprehensive information or report on the use of governmentwide data mining programs. However, in 2004, the Government Accountability Office (GAO) reported that at least 52 agencies were using or planning to use data mining techniques. In addition, GAO reports that since the terrorist attacks of September 11, 2001, data mining has been used increasingly to detect terrorist threats. For example, according to a 2006 survey by the Department of Homeland Security, that agency is using or developing 12 data mining programs.

CBO expects that complying with the bill's provisions would increase the administrative expenses of federal agencies, but because of the confidential nature of the data mining process, the number of agencies involved, and the confidential information needed to prepare an estimate for the costs of the legislation, CBO cannot determine a precise estimate of the likely total costs of this bill. Costs over the 2007-2012 period, however, would generally come from agencies' salary and expense budgets, which are subject to annual appropriation. Such costs would probably total at least a few million dollars per year.

The legislation contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would not affect the budgets of state, local, or tribal governments.

On March 6, 2007, CBO provided a cost estimate for S. 4, the Improving America's Security Act of 2007, as ordered reported by the Senate Committee on Homeland Security and Governmental Affairs on February 22, 2007. S. 4 contains provisions that are similar to S. 236, and the estimated costs of those provisions are the same.

The CBO staff contact for this estimate is Matthew Pickford. The estimate was approved by Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.